

**TOWN OF ROCKY HILL  
FINANCE COMMITTEE  
MEETING OF JULY 15, 2015**

Present: Chairwoman Cathy Vargas, Councilor Guy Drapeau and Councilor Bill MacDonald. Also present: John Mehr (Finance Director), Guy Scaife (Town Manager), Mona McKim (Treasurer and Accounting Manager), Elaine McKim (Tax Collector) (Left at 4:43 p.m.) and Steve Sopelak (Town Engineer) (Left at 4:35 p.m.).

Chairwoman Vargas called the July 15, 2015 meeting of the Finance Committee to order at 4:30 p.m. in the Council Chambers, Town Hall, 761 Old Main Street, Rocky Hill, CT.

**I. ACTION – APPROVAL OF MINUTES JUNE 10, 2015 MEETING**

**Councilor Drapeau made a motion to approve the Minutes of the June 10, 2015 meeting of the Finance Committee. The motion was seconded by Councilor MacDonald and adopted unanimously.**

**II. ACTION – AWARD OF BID – TRAFFIC GUIDELINES – TOWN ENGINEER**

Steve Sopelak said the bids for pavement markings were compiled by using CRCOG (Capitol Region Council of Governments). There were three vendors (Safety Markings, Inc., Hi-Way Safety Systems, Inc. and Atlantic Pavement Marking, Inc.) who bid. Rocky Hill uses an oil based paint and Safety Markings, Inc. doesn't use that. The low bid was Hi-Way Safety Systems, Inc. and Rocky Hill had used them last year but they didn't respond to the Town's needs because they had missed a bunch of areas in Town and they never came back so Atlantic Pavement Marking, Inc. is being recommended. Atlantic Pavement Marking, Inc., which is a responsible company, had been used by the Town for the last fifteen years except for last year.

**Councilor Drapeau made a motion to approve the Resolution for the Award of Bid – Traffic Guidelines – Line Striping and forward this to the Town Council for its Consent Agenda. The motion was seconded by Councilor MacDonald and adopted unanimously.**

**BE IT RESOLVED that the award of bid for traffic guidelines be awarded to Atlantic Pavement Marking, Inc., Prospect, CT at a bid price of \$32,549.73. The Town participated in the Capital Region Council of Governments (CRCOG) Capital Region Purchasing Council traffic guidelines bid and this pricing is valid for the 2015 calendar year. This service will be charged to the Engineering Department – budget line 01-300-401-5326 for Fees – Markings in the 2015-2016 budget year.**

Steve Sopelak said Finance Director Mehr had asked him to give this Committee a quick update on the sidewalks on Brook Street. Steve Sopelak believes the money for this will be coming out of the nonrecurring account. These sidewalks will be from Alterra Apartments to the front of the CREC School and then from Brooklawn Funeral Home to the corner of Henkel Way. A sidewalk had settled on Henkel Way and he said the prep work for that should have been taken care of already.

**III. UPDATE – DELINQUENT PROPERTY TAXES COLLECTION – TAX COLLECTOR**

Elaine McKim gave an update on this. (Please see the Attachment.) Chairwoman Vargas asked what the next step will be for the tax sales. Elaine McKim said these people were given three months to come up with the money or to do a payment plan and they have one more month now before the tax sale proceedings will start. One more letter will be sent out to the people if they haven't done this to let them know that the tax sale foreclosures will be started. Chairwoman Vargas asked if the proceedings will be starting at the beginning of September. Elaine McKim said the tax sales will start in September or mid-October. Chairwoman Vargas asked Elaine McKim how many properties will be in the tax sale. Elaine McKim said three of these are trying to get home equity loans. She mentioned another one where one of the relatives might help out with this. Chairwoman Vargas said this is moving in the direction so that there might not be too many of these and Elaine McKim said right.

**IV. ACTION – REFUND OF OVERPAYMENT OF PROPERTY TAXES – TAX COLLECTOR**

**Councilor Drapeau made a motion to approve the Resolution for the Property Tax Refund and forward this to the Town Council for its Consent Agenda. The motion was seconded by Councilor MacDonald and adopted unanimously.**

**BE IT RESOLVED THAT a tax refund in the following amount be and is hereby authorized for the following taxpayers:**

<u>List Number</u>	<u>Name</u>	<u>Amount</u>
2013-01-16234	Elona Sinani 31 Birch Rd Rocky Hill, CT 06067	\$1,838.88

**Report And Recommendation**

**Town Council authorization is required for tax refunds in excess of \$1,500. This refund is due to overpayment by taxpayer in connection with refinancing. Passage of this resolution is recommended.**

**V. ACTION – INCREASE AUTHORIZATION LIMITS FOR THE REFUND OF THE OVERPAYMENT OF PROPERTY TAXES - FINANCE**

Finance Director Mehr said Councilor MacDonald had suggested at a couple of Finance Committee meetings ago that they revisit the limits for these approvals. Finance Director Mehr gave his thoughts about the new approval levels (up to \$3,000 for the Town Manager or Finance Director; \$3,000 to \$10,000 for the Finance Committee; and anything greater than that amount for the Town Council). Councilor MacDonald thought that the amount could be higher for the Town Manager and Finance Director to approve. Councilor MacDonald suggested that anything below \$10,000 be approved by the Town Manager and Finance Director and anything above \$10,000 be approved by the Town Council. Town Manager Scaife agreed and thought the amount of \$3,000 is low. He agreed that this amount could possibly go up to \$10,000 for both him and the Finance Director to approve so that there can be a double signoff. Town Manager Scaife said this would certainly cover the vast majority of these that he has observed. A recommendation though would have to first come in from the Tax Collector with regards to the overpayment of property taxes.

**Councilor Drapeau made a motion to approve the Resolution – Approval – Increase the Authorization Limits to Refund the Overpayment of Property Tax and forward this to the Town Council for its Consent Agenda. The motion was seconded by Councilor MacDonald and adopted unanimously.**

**WHEREAS, by Town Council resolution dated December 6, 1999, the Town Manager or the Finance Director were authorized to act upon applications for tax abatements and tax refunds in an amount not to exceed fifteen hundred (\$1,500) dollars.**

**NOW, THEREFORE BE IT RESOLVED that the Rocky Hill Town Council adopts the following authorization guidelines to act upon the application for tax abatements and for tax refunds in the following amounts:**

**Up to \$10,000 – the Town Manager and the Finance Director;**

**Greater Than \$10,000 – the Finance Committee to the Town Council.**

**VI. DISCUSSION – AUDITING STANDARD NO. 114 – THE AUDITOR’S  
COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE  
MEMO – FINANCE**

Finance Director Mehr thinks it is a yearly requirement that the auditors have to send communications to the Finance Committee in order to discuss the objectives of their audits. They had come in, in the past, to discuss these with the appropriate Committee so that they could go over any concerns or issues that the Committee might have. This memo came from Nikoleta McTigue, who is an Audit Partner with Blum Shapiro. Finance Director Mehr thought he would put this item on the Finance Committee meeting’s agenda so that they could review it and he can schedule a meeting with Blum Shapiro in the near future if they wanted that.

Councilor Drapeau asked if there are audit areas of focus and risk. He referred to how Rocky Hill has come a long way on their IT infrastructure upgrade and he knows there is an IT component to the audit so he wondered if Blum Shapiro could do a little extra work at the end of

their audit to give them an update on this. Finance Director Mehr said Blum Shapiro does that type of audit on a four or five year basis and they had just come out last year to do this. Councilor Drapeau said the Town was at its low point with this last year. Town Manager Scaife said he has had a dialogue already with Blum Shapiro to look at some internal controls on cash management, not that he believes there is an issue. Councilor Drapeau asked about IT and Town Manager Scaife said they could look at that down the road maybe. Chairwoman Vargas thinks they should give this another year and she said that Russ Ford (IT and Facilities Director) has been reporting on everything he is doing. Councilor MacDonald said that sounds fine. Chairwoman Vargas asked the Councilors if they want Blum Shapiro to come in at all. Finance Director Mehr said Blum Shapiro already came in at the end of June to do some of the pre-audit work. They should probably come out before they start their engagement in the middle of September and he said they always come in after the audit in December or January. He told the Committee that this would be a pre-audit meeting now if they have any concerns for Blum Shapiro to focus on. Councilor Drapeau said it would be fine for them to come after the audit is completed and Councilor MacDonald agreed.

**VII. ACTION – RESOLUTION – BOARD OF EDUCATION RETURNING FUNDS – FINANCE**

Finance Director Mehr said Town Manager Scaife had received a memo from Superintendent Dr. Zito at the end of June stating what they projected their surplus would be as of June 30, 2015 and that would be returned to the Town. This ties into the Resolution the Town Council had adopted in June that related to the West Hill School bathrooms, primarily the main one. Part of that Resolution was that the Bd of Ed would be sending \$110,000 over for that. This new Resolution will be for that and for the other bathroom near the cafeteria. From the Bd of Ed's operating budget for Fiscal Year '15-'16, they are supposed to be transferring at least \$100,000 to cover costs that are associated with that other bathroom that had been reviewed by various Committees on June 1, 2015 and approved by the Town Council. Town Manager Scaife said this request is consistent with what they had discussed in the Resolution and the numbers were estimated being around \$110,000 at that time. He supports this.

Councilor MacDonald guesses this will go to the General Fund and he confirmed that this is why there are two separate parts to this Resolution. Finance Director Mehr said the Bd of Ed is saying they are going to have a surplus of \$121,000 and Finance needs to get approval from the Town Council to take that money out of the General Fund and send it to the Nonrecurring Fund. The money would just roll into the fund balance if this isn't done.

**Councilor Drapeau made a motion to approve the Resolution – Board of Education Return of Funds to the General Fund And Reserve for Capital and Nonrecurring Expenditures Fund: School Improvements and forward this to the Town Council for its Consent Agenda. The motion was seconded by Councilor MacDonald and adopted unanimously.**

**WHEREAS, the Town of Rocky Hill Board of Education (BOE) Superintendent of Schools has notified the Town of Rocky Hill's Town Manager that the BOE will be returning to the Town \$121,926.74 of unexpended – unencumbered funds from the budget year ending June 30, 2015.**

**BE IT RESOLVED THAT the BOE request that the Town Council approves \$121,926.74 of the funds being returned by the BOE be applied towards improvements to school facilities as recommended by the BOE.**

**BE IT RESOLVED THAT the Town Manager is authorized to expend \$121,926.74 of the funds that is being returned by the BOE to the General Fund for the budget year ending June 30, 2015, toward the costs of improvements to school facilities.**

**THEREFORE, BE IT RESOLVED THAT being notified by the BOE that the amount of funds being returned by the BOE to the General Fund for the budget year ending June 30, 2015 is \$121,926.74. The Finance Director is authorized to transfer \$121,926.74 from the General Fund to the Reserve for Capital and Nonrecurring Expenditure Fund to a designated project line called School Improvements – West Hill School Restrooms Upgrades. This transfer would be effective prior to June 30, 2015.**

#### **VIII. UPDATE – LEGAL BILLS SUMMARY – FINANCE**

Finance Director Mehr said they didn't get the legal bills for May or June yet. Councilor MacDonald asked how they are accounting for what their legal bills are then and he asked if the number for the legal fees is understated by the amount of May and June. Mona McKim thinks there was a projection at the bottom of approximately \$40,000 pending for May and June.

#### **IX. UPDATE – STATE AID TO MUNICIPALITIES FOR 2014-15 BUDGET – FINANCE**

Finance Director Mehr said the Town received the third of the Mashantucket Grant money for \$93,963. The Town received all of the funds that they had expected from the Grants and that they had budgeted for with regards to money being received from the State.

#### **X. MONTHLY FINANCIAL REPORT – JUNE 2015 – FINANCE**

Mona McKim said the format was slightly different for the revenues and they put in a column for the projection of May 2015 for comparison. These were the revenues that had been used in the budget book. They are higher than they originally had expected. There is the possibility that some revenues will be coming in, in the next couple of weeks that will pertain to Fiscal Year '14-'15 but the majority of everything has been collected. She said Elaine McKim's update on the tax revenues ties into the numbers they have in the revenue summary. Mona McKim told the Councilors if they see any slight variances that there are refunds that reflect into the overall revenue page.

Mona McKim said there is the same format for the expenditures and there is a May 2015 projection column. She then referred to the bottom of this report and she referred to Councilor MacDonald asking about the legal bills that hadn't come in yet. Mona McKim said there were some notations about year-end transactions that they hadn't experienced yet. The anticipated expenditures should be \$68,300,000. They are in good standing between the expenses and the revenues. Councilor MacDonald asked what a miscellaneous outstanding invoice is and if that

isn't just for one invoice. Mona McKim said that is for whatever could come in from a department.

Town Manager Scaife said they are positive on the revenue and positive on where they were anticipating expenses. This puts them into good shape going into the year. Finance has done a good job of working with the departments and pulling expenses in. They believe their forecast is very good. They are also setting models up so that they will have better streamline forecasting going forward. Chairwoman Vargas thanked Finance Director Mehr and Mona McKim for doing a great job.

**XI. UPDATE – RESERVE FOR CAPITAL AND NONRECURRING EXPENDITURE  
FUND – JUNE 2015 – FINANCE**

Finance Director Mehr said he tried to give a projection of what will be happening in the Nonrecurring Fund that will reflect the balance as of June 30, 2015. He referred to the beginning balance of \$102,000 for the repairs for the schools. He said \$20,000 and another \$5,000 had been committed for some of the summer projects for asbestos testing, etc. Some of the money from the \$168,000 had been transferred into the Nonrecurring Fund from the Bd of Ed's surplus for Fiscal Year '13-'14 but most of that was associated with the summer project. He then referred to the year-end transfers out of Capital Improvements and some of the other accounts which might have a surplus. Funds will be encumbered for the telephone upgrades, the Zoning Regulations and for the pools. The \$736,000 was budgeted last year for the Stevens School sprinkler project but that money had to be transferred out to cover for the funding because that project wasn't started until this summer. There was \$300,000 that had been transferred out of the Special Rec Account and \$150,000 of that was going to be used to repair the track at Rocky Hill High School, as well as to fix the Elm Ridge Park basketball courts. There should be a balance of \$1,100,000 in the Nonrecurring Fund.

Chairwoman Vargas asked if they are going to have to approve all of these transfers at some point. Finance Director Mehr said they will hopefully have their June numbers in so they will know what the final balances are. These will be brought to the Finance Committee and the Town Council next month to get them transferred into the Nonrecurring Fund. They definitely have to transfer the \$736,000.

**XII. OTHER**

Finance Director Mehr said the BANS they had transferred closed on June 29, 2015 and they received their money at 8:05 a.m.

Town Manager Scaife referred to the upgrading of the lights to LED at all of the Town's facilities. The Finance Committee should have this information in front of them at their meeting in August. They will also have something similar for the street lights.

**XIII. ADJOURNMENT**

**Councilor Drapeau made a motion to adjourn the meeting at 5:00 p.m. The motion was seconded by Councilor MacDonald and adopted unanimously.**

Respectfully submitted,

Jo-Anne Booth  
Recording Secretary